

HOUSE BILL 1786

By Hargrove

AN ACT to amend Tennessee Code Annotated, Section 45-15-110; Section 45-1-104; Section 45-15-102; Section 45-15-103; Section 45-15-104; Section 45-15-105; Section 45-15-106; Section 45-15-107; Section 45-15-108; Section 45-15-109; Section 45-15-112; Section 45-15-113; Section 45-15-114; Section 45-15-115; Section 45-15-116; Section 45-15-117; Section 45-15-118 and Section 45-15-119, relative to relative to establishing a state regulatory structure for enforcement by the commissioner of financial institutions for the title pledge industry through the listed statutes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-15-102, is amended by deleting subdivisions (1) through (4) and substituting instead the following:

- (1) Ensure a sound system of making title pledge loans through statewide licensing of title pledge lenders by the department;
- (2) Establish licensing requirements;
- (3) Provide for the examination and regulation of title pledge lenders by the department; and
- (4) Ensure financial responsibility to the public;

SECTION 2. Tennessee Code Annotated, Section 45-15-103, is amended by deleting subdivision (4) and by substituting instead the following appropriately numbered subdivisions:

- () "Commissioner" means the commissioner of financial institutions or the commissioner's designated representative;
- () "Department" means the department of financial institutions;

SECTION 3. Tennessee Code Annotated, Section 45-15-105, is amended by deleting the section in its entirety and substituting instead the following:

No person shall engage in the business of title pledge lending without having first obtained a license. A separate license shall be required for each location from which such business is conducted. Any person engaged in the business of title pledge lending on January 1, 2006, may continue to engage in the business without a license until the commissioner has acted upon the application for a license if such application is filed by January 9, 2006.

SECTION 4. Tennessee Code Annotated, 45-1-104, is amended by deleting the language "or persons licensed under the Tennessee Title Pledge Act of 1995, chapter 15 of this title".

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6. This act shall take effect on January 1, 2006, the public welfare requiring it.